



D. P. Roman
(D. P. Roman)

of Alexandria

2005 SEP 12 AM 9:42

September 7, 2005

FDIC San Francisco Regional Office
Director Johns F. Carter
25 Jessie Street at Ecker's Square
Suite 2300
San Francisco, CA 94105

RE: Wal-Mart with FDIC insurance

Dear Mr. Carter:

We are strongly opposed to the FDIC granting deposit insurance to Wal-Mart's ILC. We think mixing banking and commerce is bad public policy. It could jeopardize the allocation of credit and create conflicts of interest.

We also look at the smaller cities that have been affected by Wal-Mart's presence in their market: the disappearance of community grocery stores, pharmacies, and hardware stores. Yes, Wal-Mart does offer low prices, but do they offer the service of the local hardware store, where they can help you find a part in a bin, perhaps sharpen a lawnmower blade, trade in a used lawnmower for a new one? I know I, and scores of our customers, would much rather deal with the local hardware store.

I believe the same thing could be said for community banks. They provide a very vital service to our communities, and without them, deposits could and would be siphoned out of our community. What will happen to a community if there were no community banks? The communities would not be as strong as they are today. We, as a community bank, work with small businesses and farmers, plus we work with consumers that look to us (not the huge banks) as their only source of credit.

Also, we think the systemic risk posed by a Wal-Mart bank would be enormous. Letting them have banking powers would be a danger and unprecedented concentration of economic power.



Let me add a final thought: one of our customers, clearly very well-to-do and very independent, keeps telling us that we enforce all the items required for Bank Secrecy Act laws and the Patriot Act. He states that he would bank at Wal-Mart because they won't be following the letter of the law like we do.

Please kindly consider our letter, and deny FDIC insurance powers to Wal-Mart Bank. We feel that it is truly better for American communities.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script, appearing to read "David L. Egge".

David L. Egge
President

First State Bank of Alexandria
Alexandria, MN, population: 10,000
Offices in: Carlos, MN, population: 329 and Miltona, MN population: 279

DLE/sb